

## **Testimony**

**Robert J. Rossini**

### **Finance, Revenue & Bonding Committee**

Friday, February 24, 2017

#### **S.B. No. 187 AN ACT REPEALING THE SALES TAX ON CAR WASH SERVICES AND COIN-OPERATED CAR WASHES**

Co-Chairs Frantz, Fonfara, Rojas, Ranking Member Davis and members of the Finance Committee. I am Todd Whitehouse and I'm the proud owner of Connecticut Car Wash which owns and operates 4 locations in Central Connecticut.

I'm here to testify in support of **S.B. No. 187 AN ACT REPEALING THE SALES TAX ON CAR WASH SERVICES AND COIN-OPERATED CAR WASHES.**

Being a Connecticut family-owned small business, which employees many Connecticut Residents and provides a great service for the motoring public, I am respectfully asking that when you consider this legislation you think about the impact this tax is having on our small businesses and our customers.

Our industry has a number of various wash types. The point-of-sale mechanical structure of each of these washes varies greatly. Attended tunnels may have the ability to collect the proposed sales tax, whereas the coin-operated point of sale are mechanically structured to accept quarters, tokens or dollar coins individually. Therefore, the ability to collect the proposed sales tax from the customer at the point of sale, which is the spirit of the sales tax, is impossible. This creates a disparate treatment within our entire industry, which I don't believe is the goal of this policy.

Our industry is a discretionary purchase within a price-sensitive market. Due to prudent management and much hard work I have been able to provide my customers with a time saving exceptional service at an affordable price providing them an

opportunity to use our facilities and services while helping to keep the Connecticut workforce employed and our customers from simply cleaning their vehicles at home.

When you are considering this legislation, we ask you to please keep in mind the positive impact the professional car wash industry has on the environment, entry-level employment and community charitable events, such as Grace for Vets (which many statewide Car Washes participate in) which is a Veterans Day event that provides a FREE wash to servicemen and women.

In Connecticut's long history, the State has enacted a sales tax on certain car wash services for a brief 4-year period ending in December of 1993. This tax was found by the legislators to be so unworkable, create disparate treatment within our industry, cost too much to track and collect and ended up not raising the anticipated revenue, that it was repealed due to the sound principals that my colleagues and I are to discuss with you today.

Thank you for the opportunity to testify before you today about this harmful new tax. I would be happy to answer any questions you may have.